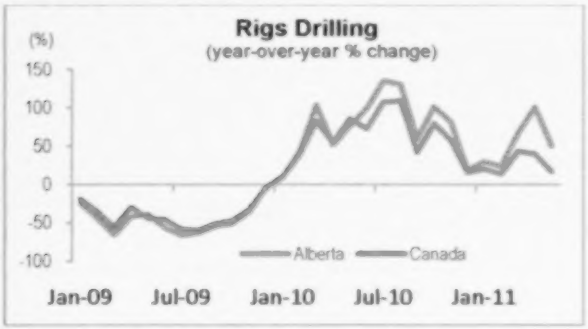
Rigs Drilling

Spring break-up weakness continues ...

In May, the average number of rigs drilling in Alberta was 84, well below the 123 rigs drilling in the previous month. The decline is a seasonal occurrence called spring break-up. On a year-over-year basis, the number of rigs drilling advanced 50% in Alberta. Nationally, the number of rigs drilling in May was down 15.8%. On a year-over-year basis, the average number of rigs drilling increased 16.9%.



Construction Investment

Building construction down ...

Alberta's investment in new non-residential buildings declined 4.1% in the first quarter to $2.2 billion as a 17.3% decrease in the construction of institutional buildings (health care facilities & government buildings) more than offset a 0.1% increase in investment for new commercial buildings and a 14.1% rise in investment in industrial buildings.

Investment in new residential building decreased 9.5% in the first quarter to $2.9 billion as losses in new dwellings (-13.8%) and total acquisition costs (-26.5%) more than offset a 1.9% gain in renovations.

Farm Product Price Index (FPPI)

Crop and livestock prices increase ...

The prices received by Alberta farmers for their commodities were up 2.2% in March from February and advanced 18.5% from March 2010. This growth was as a result of increases in both crops (0.4%) and livestock and animal products (3.8%). The March increase in both components marks the fourth consecutive monthly increase.

Canadian Economy

Expansion in first quarter ...

Real gross domestic product (GDP) rose 1.0% in the first quarter (3.9% annualized) following a 0.8% gain in the previous quarter.

Canadian Dollar (US¢/C$)	
June 3, 2011	102.35
May 27, 2011	102.34
2011-12 YTD	103.74
WTI Oil US$/bbl	
June 3, 2011	$100.22
May 27, 2011	$100.59
2011-12 YTD	$105.23
Nymex Natural Gas US$/MMBtu*	
Near-month Contract	
June 3, 2011	$4.71
May 27, 2011	$4.52

*Estimate based on Nymex Futures Market Price

Business investment in plant and equipment (3.2%) and exports of goods and services (1.6%) led the expansion, while an increase in imports (2.2%) partly offset growth. On a monthly basis, real GDP by industry advanced 0.3% in March.

Canada's real gross domestic income (GDI), a measure of purchasing power, advanced 1.5% in the first quarter. The terms of trade, which measures export prices relative to import prices, increased 1.6%.

Current Account

Current account deficit narrows again ...

Canada's current account deficit (on a seasonally adjusted basis) narrowed for the second consecutive time to reach $8.9 billion in the first quarter. The decrease was due to stronger export volumes of goods. Trade with the US accounted for all the gains and Canada's goods surplus with the US expanded to its highest level since the third quarter of 2008.

Bank Of Canada Interest Rate Decision

BoC maintains overnight rate target ...

The Bank of Canada maintained the overnight rate target at 1% for the sixth consecutive meeting since September 2010. Though headline CPI inflation is above the operating band of 1 to 3%, core inflation remains subdued.

US Economy

US employment edges up ...

The US Non-farm payroll employment rose by 54,000 in May, well below the expected gain of around 165,000. An increase of 83,000 in private payrolls was partially offset by a decline in the public sector. The unemployment rate edged up from 9.0% in April to 9.1%.

Current Economic Indicators

Population	2009	2010	2011YTD*	Dec	Jan	Feb	Mar	Apr	May
Population [1] (000's) (level)	3,671	3,721	3,743	--	3,743	--	--	--	--
% change	2.2	1.4	1.4	--	1.4	--	--	--	--
Net Interprovincial Migraton [1] (level)	13,184	-2,183	3,665	--	2,510	--	--	--	--
Net International Migration [1] (level)	16,835	21,533	10,994	--	4,633	--	--	--	--
Net Non-permanent Residents [1] (level)	19,162	-77	-8,368	--	-6,725	--	--	--	--
Labour Market									
Employment (000's)	2,025	2,017	2,061	2,032	2,054	2,068	2,064	2,060	--
% change	-1.3	-0.4	3.0	0.5	2.2	3.4	3.4	2.9	--
Unemployment Rate (%)	6.6	6.5	5.8	5.5	5.9	5.7	5.7	5.9	--
Participation Rate (%)	74.3	72.9	73.3	72.2	73.2	73.4	73.2	73.2	--
Average Weekly Earnings ($)	950.13	993.13	1030.9	1012.32	1026.03	1030.49	1036.11	--	--
% change	2.9	4.5	6.2	5.4	7.0	5.9	5.8	--	--
Price Indices									
Consumer Price Index	-0.1	1.0	1.8	0.8	1.0	1.2	2.0	3.0	--
Excluding food and energy	1.4	0.8	0.6	0.4	0.7	0.3	1.1	0.4	--
Non-Res. Building Cons. Price Index [2]	-9.8	-0.1	--	--	--	--	--	--	--
Farm Product Price Index	-10.6	-3.9	18.9	14.3	17.9	20.2	18.5	--	--
Crops NEW!	-18.9	-14.5	14.9	8.2	13.2	14.8	16.7	--	--
Livestock	-2.8	5.7	22.0	19.6	21.7	24.8	19.6	--	--
Household Sector									
Housing Starts (SAAR, 000's)	20.0	27.1	20.9	21.0	19.1	22.4	20.8	21.1	--
% change	-31.6	33.5	-28.8	-23.9	-22.4	-21.7	-39.7	-28.2	--
New Housing Price Index	-9.0	0.5	0.7	1.0	0.5	0.8	0.5	--	--
Edmonton	-11.2	-0.8	0.7	0.8	0.3	1.1	1.2	--	--
Calgary	-6.7	1.7	0.6	1.1	0.8	0.4	-0.1	--	--
MLS Average Resale Prices ($ 000's)	340.5	350.9	354.4	348.3	352.8	355.9	348.8	360.0	--
% change	-3.1	3.1	0.9	-2.3	2.4	2.5	-1.9	0.5	--
Edmonton	319.1	326.5	322.6	322.0	323.1	321.8	320.2	325.1	--
% change	-3.5	2.3	-2.5	-2.6	0.5	-1.2	-4.6	-4.6	--
Calgary	384.3	397.4	401.7	396.5	401.7	403.8	393.4	407.9	--
% change	-4.2	3.4	2.2	-2.0	4.3	2.3	-0.8	3.1	--
Retail Sales	-8.3	6.0	4.4	7.8	3.9	4.8	4.4	--	--
New Motor Vehicle Sales	-21.7	9.3	2.1	3.5	7.4	-2.6	--	--	--
Consumer Bankruptcies	9,986	8,150	1214	519	578	636	680	--	--
% change	64.6	-18.4	-8.1	-18.1	-15.5	-0.2	6.9	--	--
Business Sector									
Rigs Drilling NEW!	128	207	320	269	372	418	366	123	84
% change	-45.6	61.3	41.0	18.5	29.6	23.3	66.6	98.4	50.0
Goods Exports (customs based)	-36.3	11.7	10.8	8.3	10.2	6.0	15.9	--	--
Energy	-40.1	16.2	11.7	3.1	11.9	5.3	18.0	--	--
Agriculture	-10.2	-14.4	2.8	15.6	6.9	6.3	-3.4	--	--
Total Farm Cash Receipts (quarterly)	-8.0	-3.9	9.3	7.1	--	--	16.7	--	--
Manufacturing Shipments	-23.7	11.0	16.1	18.3	16.0	14.3	17.8	--	--
Wholesale Trade	-15.9	10.8	14.0	20.5	17.1	12.2	12.9	--	--
Building Permits	-14.2	2.1	5.9	-23.7	-21.7	50.2	-13.3	--	--
Residential	-11.8	24.7	-21.6	-20.4	-24.0	-34.0	-5.2	--	--
Non-residential	-16.3	-19.0	56.1	-27.2	-16.8	224.7	-25.0	--	--
Business Bankruptcies	405	378	52	44	30	22	26	--	--
% change	-9.4	-6.7	-8.8	37.5	11.1	-26.7	18.2	--	--

Government of Alberta ■
Finance and Enterprise

Alberta ■

* YTD – year-to-date represents the change since the beginning of the year compared to the same period in the previous year.

1 Quarterly; annual numbers are presented on a census year basis (July 1 - June 30).

2 Quarterly, average of Calgary and Edmonton

Sources: All data is from Statistics Canada except Housing Starts (Canada Mortgage and Housing Corporation), MLS Average Resale Prices (Canadian Real Estate Association), Rigs Drilling (Canadian Association of Oilwell Drilling Contractors) and Bankruptcies (Office of the Superintendent of Bankruptcy Canada).

Current Economic Indicators by Province